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Attorneys for Nominal Defendant
 SILICON STORAGE TECHNOLOGY, INC. and OFFICER
 DEFENDANTS Derek Best, Michael Briner, Isao Nojima, Chen
 Tsai, Jeffrey L. Garon and Paul Lui

UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA

In re SILICON STORAGE TECHNOLOGY,
 INC., DERIVATIVE LITIGATION

Master File No. C06-04310 JF

**STIPULATION AND [PROPOSED] ORDER
 TO CONTINUE MAY 2, 2008 CASE
 MANAGEMENT CONFERENCE TO
 JULY 25, 2008**

Trial Date: None

This Document Relates To:

ALL ACTIONS.

WHEREAS, on March 15, 2007 nominal defendant Silicon Storage Technology, Inc. ("SST") publicly announced that the Chair of its Audit Committee, with the assistance of independent outside counsel and outside accounting experts, would conduct a voluntary review of its historical stock option grant practices covering the time from its initial public offering in 1995 through the current fiscal year;

WHEREAS, pursuant to the Stipulation and Order dated April 27, 2007, the Court granted the parties' stipulation that: (1) Defendants shall have no obligation to respond to the First Amended Consolidated Complaint; (2) Plaintiffs shall have twenty-one (21) days after SST announces the results of the investigation to file a Second Amended Consolidated Complaint; and (3) set the briefing schedule for Defendants' response to the Second Amended Consolidated Complaint;

1 **WHEREAS**, on July 23, 2007, SST announced that it expected to restate its previously-
2 issued financial statements for the fiscal years 1997 through 2005 and for the quarters ended
3 March 31, 2006, June 30, 2006, and September 30, 2006 to correct errors related to accounting
4 for stock-based compensation expense;

5 **WHEREAS**, on January 16, 2008, SST publicly announced that the chair of its Audit
6 Committee has completed its review of SST's historical stock option grant practices covering the
7 time from its initial public offering in 1995 through the current fiscal year. At that time, Lead
8 Plaintiffs and SST met and conferred to discuss continuation of the settlement talks postponed
9 pending the audit chair's investigation;

10 **WHEREAS**, on February 1, 2008, the Court granted Lead Plaintiffs' request to file the
11 Second Amended Complaint on or before May 9, 2008;

12 **WHEREAS**, Lead Plaintiffs, SST, the individual defendants, and the parties in the related
13 state action, *Alex Chuzhoy v. Bing Yeh, et al.*, Santa Clara Case No. 106CV074026, (the
14 "Parties") have agreed to meet in Palo Alto, California on May 20, 2008 to participate in an all
15 day settlement meeting in order for the Company to share information with plaintiffs relating to
16 the audit committee chair's investigation and findings and the filing of the Company's
17 restatement and to discuss the settlement of the derivative litigation;

18 **WHEREAS**, the Parties have already engaged in discussions relating to corporate reforms
19 and prior to the May 20, 2008 meeting, SST will provide Lead Plaintiffs with relevant documents
20 to facilitate the parties' settlement discussions;

21 **WHEREAS**, the Parties have further agreed to schedule a mediation to take place should
22 their May 20, 2008 settlement meeting not fully resolve the derivative litigation, and have
23 selected Judge William Cahill to serve as a mediator for this matter;

24 **WHEREAS**, SST is currently trying to schedule a meditation date with counsel for the
25 officer defendants, counsel for director defendants, counsel for primary insurance carrier, and
26 plaintiffs' counsel that coincides with Judge Cahill's limited availability and, while scheduling
27 has been extremely difficult, the Parties hope to schedule a mediation no later than July 2008;

1 **WHEREAS**, to facilitate proper settlement discussions, the individual defendants have
2 retained new counsel. On April 18, 2008, substitution papers were filed by Matthew J. Jacobs of
3 McDermott, Will & Emory LLP for Director Defendants. SST expects that Norman Blears of
4 Heller Ehrman LLP will file substitution papers with the court for Officer Defendants shortly;

5 **WHEREAS**, the Parties understand that July 25, 2008 at 10:30 a.m. is available on the
6 Court's calendar for a Case Management Conference and the Parties request that date and time;

7 **NOW, THEREFORE**, the parties hereby stipulate as follows:

8 1. The Case Management Conference currently scheduled for May 2, 2008, shall be
9 rescheduled to July 25, 2008 at 10:30 a.m.

10 Dated: April 23, 2008

COOLEY GODWARD KRONISH LLP

11
12 By  _____

Grant P. Fondo

13
14 Attorneys for Defendants

15 DEREK BEST, MICHAEL BRINER, ISAO NOJIMA,
16 CHEN TSAI, JEFFREY L. GARON AND PAUL LUI
17 and Nominal Defendant SILICON STORAGE
18 TECHNOLOGY, INC

18 Dated: April 23, 2008

SCHIFFRIN BARROWAY TOPAZ & KESSLER, LLP

19
20 By  _____

Nichole Browning

21 Attorneys for PLAINTIFF B. BAZARGANI

22
23 Dated: April 23, 2008

WOLF HALDENSTEIN ADLER FREEMAN & HERZ
24 LLP

25
26 By  _____

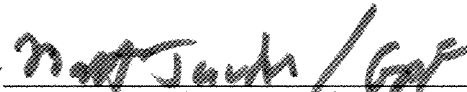
Betsy C. Manifold

27 Co-Lead Counsel for Lead Plaintiffs

1 Dated: April 23, 2008

MCDERMOTT, WILL & EMERY LLP

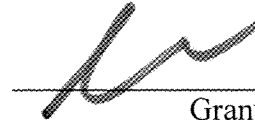
2
3 By


Matthew J. Jacobs

4
5 Attorneys for DIRECTOR DEFENDANTS
6 Tsuyoshi Taira, Yasushi Chikagami, Ronald Chwang,
7 Bing Yeh and Yaw Wen Hu

8 **ATTESTATION PURSUANT TO GENERAL ORDER 45**

9 I, Grant P. Fondo, am the ECF User whose ID and password are being used to file this
10 Stipulation and [Proposed] Order to Continue May 2, 2008 Case Management Conference to
11 July 25, 2008. In compliance with General Order 45.X.B., I hereby attest that concurrence in the
12 filing of this document has been obtained from each of the other signatories. I declare under
13 penalty of perjury under the laws of the United States of America that the foregoing is true and
14 correct. Executed this 23rd day of April, 2008, at Palo Alto, California.

15
16 
Grant P. Fondo

17
18 **ORDER**

19
20 PURSUANT TO STIPULATION AND FOR GOOD CAUSE SHOWN HEREIN, IT IS SO
21 ORDERED.

22
23 DATED: 4/25/08

24 
25 Judge of the U.S. District Court
26 Jeremy Fogel